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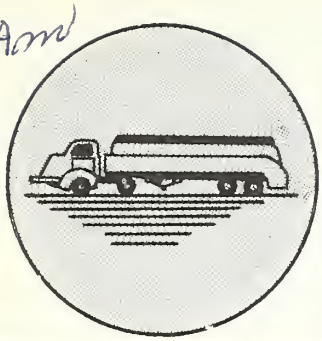

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Molasses

FEED and INDUSTRIAL

Annual Market Summary

1960

UNITED STATES DEPARTMENT OF AGRICULTURE
Agricultural Marketing Service
Washington, D.C.

AMS-79 (1960)

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Prepared by the Grain Division

February 1961

HIGHLIGHTS OF 1960

Molasses prices averaged lower in 1960 despite a rising market the last half of the year. The relationship between prices of molasses and other carbohydrate feeds continued to favor molasses. Supplies of a record-breaking 710 million gallons of molasses were available in 1960, reflecting all-time high imports of 449 million gallons. Domestic production was about the same as in 1959, but shipments to the mainland from offshore producing areas decreased. Exports dropped sharply. Molasses fed to livestock climbed to a record 530 million gallons. Other uses also increased.

PRICES

Blackstrap Molasses

Average prices of blackstrap molasses at principal markets were lower in 1960 than in 1959 and the lowest in more than five years. The decline was not as pronounced, however, as it was the two previous years. Prices worked downward steadily during the first five or six months of 1960 as a sharp rise in imports of molasses provided abundant supplies and put pressure on the market. On the other hand, prices turned upward the last half of the year, reflecting heavier usage of molasses and growing concern over prospects for 1961 imports from Cuba -- our principal supplier of blackstrap. Monthly imports from Cuba dwindled from a high of 34.1 million gallons in April to only 2.6 million in December.

Although average 1960 prices were below those for 1959, the market for blackstrap molasses in December actually was around 2-3¢ per gallon higher than a year earlier in the Gulf, the Midwest, and the West. Prices in the Northeast were much more stable than in other sections. This was due to the large percentage of users in this area who make long-term contracts for supplies. Northeast molasses prices did not start upward until the final two months of 1960. Despite the late upswing, December prices remained 1-3¢ per gallon lower than a year earlier. However, Buffalo was the only northeastern market where December prices were down 3¢. This reflected to some extent the increased flow of blackstrap molasses supplies to Buffalo through the St. Lawrence Seaway.

New Orleans blackstrap prices averaged 10.1¢ per gallon in 1960, or 1.2¢ less than in 1959. Prices declined steadily from January through May but reacted upward from June through December. Contracting for forward delivery -- through December and in some cases through March 1961 -- was especially heavy during the June-September months. Prices at Texas ports, Mobile and Florida points followed the same trend as those at New Orleans except the low point was not reached until June -- a month later than at New Orleans. The spread in prices between New Orleans and other Gulf markets was much narrower in December 1960 than it was in 1959. In fact, there was no difference between New Orleans and Mobile prices. The spread between New Orleans and Texas port prices was only 1/4¢ per gallon. Florida showed the biggest spread, about 3/4¢.

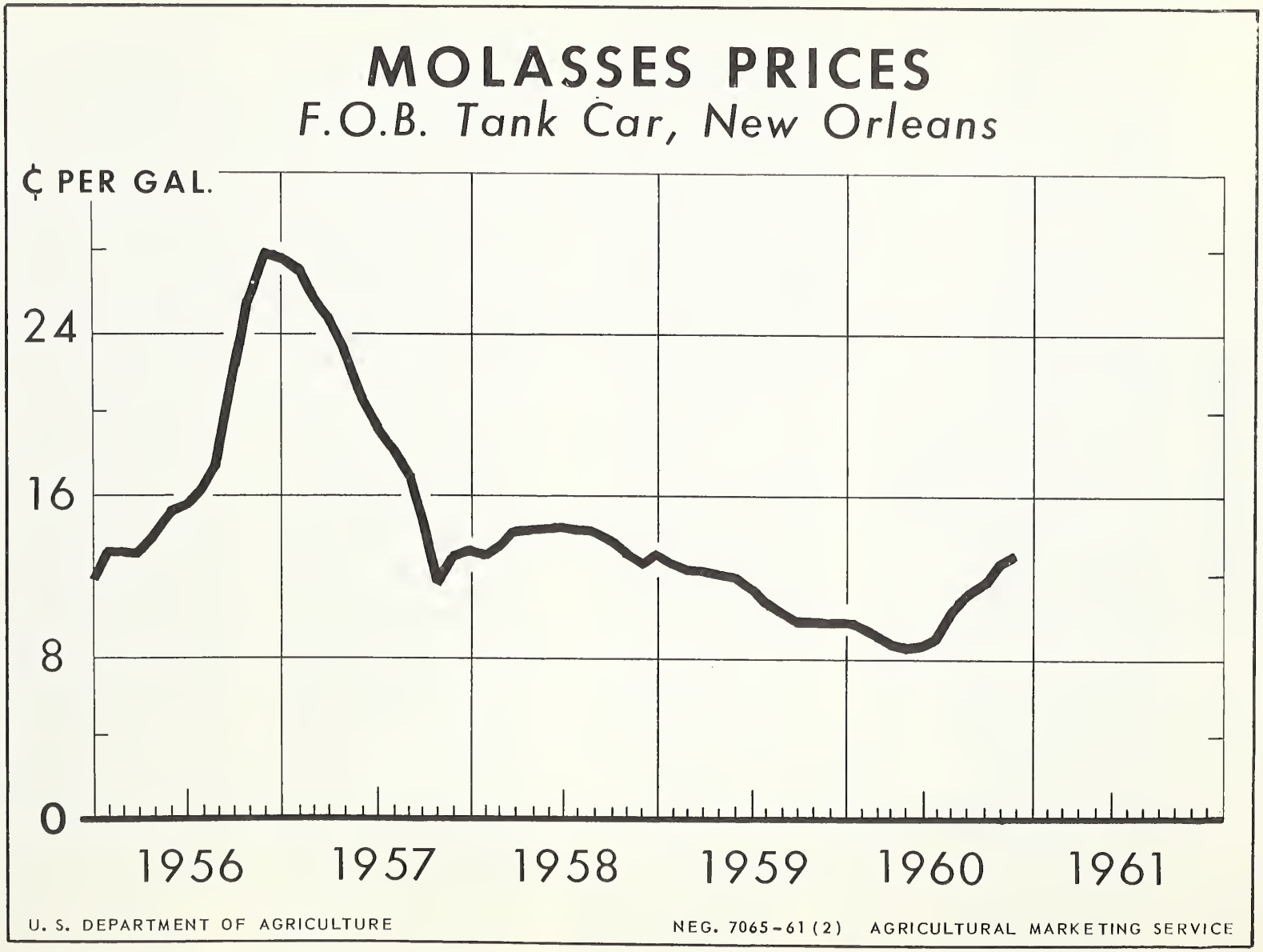
MOLASSES PRICES
F.O.B. Tank Car, New Orleans
¢ PER GAL.
24
16
8
0
1956
1957
1958
1959
1960
1961
U. S. DEPARTMENT OF AGRICULTURE
NEG. 7065-61 (2) AGRICULTURAL MARKETING SERVICE

FIGURE 1

Molasses prices in the Northeast dropped sharply from January to February but held relatively stable the next eight months. Even though prices advanced the last two months of 1960, the December spread between New Orleans and the Northeast was much narrower than in 1959 and the narrowest it has been in several years.

Monthly trends of molasses prices in the Midwest were similar to those in the Gulf area. The spread between prices at New Orleans and Memphis, Kansas City and St. Louis was little different from the previous year but the Chicago- and Minneapolis-New Orleans spreads narrowed. In fact, prices at Chicago and Minneapolis averaged substantially less than New Orleans price plus tank car freight to these destinations. This was because of the influence of barge transportation which provided lower molasses prices to the upper Mississippi River valley from New Orleans.

Denver blackstrap molasses prices averaged 2.1¢ per gallon lower in 1960 and were below both New Orleans and West Coast prices plus rail freight to Denver. Tank cars now bring Mexican blackstrap molasses to Denver on a through transportation rate which is lower than the rates from former major sources of supply. West Coast prices declined more slowly during the first half of 1960, but they also went up at a slower rate than in the South and Midwest during the last half of the year.

Beet Molasses

Prices of beet molasses in the four principal market areas averaged $2.36 per ton less than in 1959 and the lowest since 1955. However, prices in the Oregon-Utah-Idaho-Missoula, Montana area were unchanged throughout the year as higher transportation costs for blackstrap to this area continued to hold down competition from blackstrap and favored beet molasses usage. Month-to-month price trends in Denver and Minneapolis were highest in January and February, declined in March and April, held relatively steady from May through November, and turned upward in December. A similar trend prevailed in the Colorado-Wyoming-Montana area except that prices registered a further decline in December. However, this was primarily an adjustment to bring prices in this area more in line with those in Denver.

Citrus Molasses

Prices of citrus molasses were unchanged the first five months of 1960 but advanced steadily the balance of the year, reversing the last-half of the 1959 trend. In spite of the upturn, 1960 prices averaged around $2.00 per ton lower than in 1959 and were the lowest since 1955. Severe winter weather during harvesting of the Florida citrus crop early in 1960 reduced the season's production of citrus molasses to the smallest amount in 15 years. Thus, limited supplies held prices steady during a period when blackstrap prices declined.

Corn (Hydrol) Molasses

Prices of corn (hydrol) molasses in 1960 were $2.14 per ton lower on the average than in 1959. The spread between Chicago and Kansas City prices favored Kansas City by $1.67 per ton in 1960 compared with only 92¢ in 1959. Prices declined from February to the year's low in June and July.

Table 1 --Molasses, blackstrap: Price by months, f.o.b. tank car, New Orleans, Texas, Mobile, Florida 1956-60

Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Av.
						--Cents per gallon--							
						New Orleans							
1956	11.76	13.25	13.31	13.00	13.88	15.20	15.50	16.38	17.65	22.00	25.62	27.91	17.12
1957	27.78	27.16	25.75	24.66	23.03	20.62	19.02	18.15	16.97	14.48	11.78	13.18	20.22
1958	13.31	13.09	13.47	14.30	14.40	14.40	14.43	14.25	14.13	13.75	13.06	12.63	13.77
1959	13.09	12.72	12.19	12.18	12.00	11.83	11.44	10.84	10.15	9.88	9.88	9.88	11.34
1960	9.88	9.47	9.00	8.60	8.45	8.50	8.90	10.23	11.12	11.75	12.62	13.00	10.13
						Texas							
1956	14.06	14.85	15.00	15.00	15.56	16.50	16.66	17.25	18.16	21.21	26.25	28.77	18.27
1957	29.00	28.58	27.83	26.54	25.46	23.87	22.73	21.87	20.87	17.60	14.25	14.00	22.71
1958	14.00	14.00	14.31	15.55	16.00	15.80	16.00	16.00	16.00	15.25	13.68	12.64	14.93
1959	12.96	12.85	12.44	12.40	12.25	12.65	12.21	11.75	11.12	10.84	10.85	10.85	11.92
1960	11.19	10.09	9.92	9.92	9.65	9.50	9.62	10.55	11.53	12.25	12.80	13.25	10.86
						Mobile							
1956	12.40	13.50	13.50	14.00	14.50	15.50	15.50	16.37	17.66	20.60	25.00	27.33	17.15
1957	28.00	27.37	26.41	24.93	23.05	21.18	19.64	18.87	17.75	15.40	12.50	13.28	20.69
1958	13.70	13.70	13.95	14.82	15.20	15.12	15.04	14.78	14.70	14.15	13.27	12.81	14.27
1959	13.64	13.09	12.84	12.51	12.26	12.67	11.80	11.20	10.78	10.50	10.50	10.46	11.85
1960	10.50	10.05	9.47	9.15	8.90	8.87	9.14	10.55	11.62	11.93	12.85	13.00	10.49
						Florida							
1956	13.62	14.50	15.00	15.00	15.00	15.69	16.00	16.82	17.88	21.00	25.25	28.00	17.81
1957	28.00	28.00	27.50	26.00	24.40	22.44	20.80	19.85	19.10	17.06	14.33	13.58	21.76
1958	13.75	13.75	14.50	14.79	14.92	14.95	15.02	14.68	14.54	14.76	15.01	14.51	14.60
1959	14.56	14.69	14.50	14.40	14.12	14.00	13.81	13.28	12.51	12.11	11.85	11.77	13.46
1960	11.75	11.75	11.53	11.43	11.35	11.35	11.41	11.87	12.13	12.49	13.32	13.76	12.01

Table 2 --Molasses, blackstrap: Price by months, f.o.b. tank car, Baltimore-Norfolk, Philadelphia, New York and Albany, 1956-60

Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Av.
						--Cents per Gallon--							
						Baltimore and Norfolk							
1956	14.85	16.00	16.00	16.00	16.20	16.50	17.00	17.31	18.00	21.10	25.75	28.50	18.60
1957	28.50	28.50	28.33	28.00	27.60	27.50	26.10	24.50	23.00	21.10	19.75	18.00	25.07
1958	17.50	17.50	17.50	17.50	17.50	17.50	17.50	17.31	17.25	16.81	16.50	16.10	17.21
1959	15.56	15.50	15.50	15.50	15.50	15.50	15.50	15.50	15.50	15.50	15.50	15.50	15.51
1960	14.94	13.50	13.50	13.50	13.25	13.25	13.25	13.25	13.25	13.25	13.55	13.80	13.52
						Philadelphia							
1956	15.00	16.00	16.00	16.00	16.10	16.35	17.00	17.31	17.75	21.20	26.00	29.00	18.64
1957	29.00	28.88	28.33	28.00	28.00	27.31	26.20	23.75	22.62	20.95	19.56	17.95	25.04
1958	17.75	17.38	17.25	17.25	17.25	17.25	17.25	17.25	16.65	16.63	16.44	15.40	16.97
1959	15.25	15.25	15.25	15.25	15.25	15.25	15.25	15.25	15.25	15.25	15.25	15.25	15.25
1960	14.81	13.50	13.45	13.25	13.25	13.25	13.25	13.25	13.25	13.25	13.55	13.80	13.48
						New York							
1956	14.86	16.00	16.00	16.00	16.20	16.50	16.50	17.31	18.00	21.00	26.00	29.00	18.61
1957	29.00	28.80	28.33	28.00	28.00	27.62	26.50	23.75	22.75	21.30	20.12	18.00	25.18
1958	18.00	18.00	18.00	18.00	18.00	18.00	18.05	18.00	18.00	17.00	17.00	16.20	17.69
1959	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00	15.62	15.25	15.25	15.84
1960	14.81	13.50	13.50	13.50	13.50	13.50	13.50	13.50	13.50	13.50	13.90	14.25	13.70
						Albany							
1956	15.50	16.50	16.50	16.50	16.70	17.00	17.50	17.81	18.50	21.70	26.50	29.50	19.18
1957	29.50	29.37	28.83	28.50	28.50	28.50	27.10	24.25	23.25	21.80	20.75	18.50	25.74
1958	18.50	18.50	18.50	18.50	18.50	18.50	18.50	18.50	18.50	17.50	17.50	16.70	18.18
1959	16.50	16.50	16.50	16.50	16.50	16.50	16.50	16.50	16.50	16.50	16.50	16.50	16.50
1960	15.88	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.40	14.75	14.25

Table 3 --Molasses, blackstrap: Price by months, f.o.b. tank car, Buffalo, Minneapolis, Chicago, St. Louis 1956-60

Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Av.
						--Cents per gallon--							
						Buffalo							
1956	19.70	20.60	20.60	20.67	21.10	21.52	21.90	22.21	22.90	26.00	30.90	33.90	23.50
1957	33.90	33.90	33.56	32.90	32.90	32.90	31.50	28.65	27.65	26.10	25.15	22.90	30.16
1958	22.90	22.90	22.90	22.42	22.30	22.30	22.30	22.30	22.30	21.40	21.40	20.60	22.16
1959	20.40	20.40	20.40	20.40	20.40	20.40	20.40	20.40	20.40	20.40	20.40	20.40	20.40
1960	19.78	17.90	17.90	16.78	16.40	16.40	16.40	16.40	16.40	16.40	16.80	17.40	17.08
						Minneapolis							
1956	22.14	21.20	21.57	21.50	22.12	23.57	23.90	24.82	25.82	30.76	35.02	35.80	25.68
1957	36.04	35.77	34.26	33.17	30.36	28.75	27.76	26.90	25.20	22.10	18.85	19.30	28.20
1958	19.30	19.30	19.30	19.30	19.90	20.02	20.14	20.20	20.20	20.12	19.90	20.02	19.81
1959	20.50	20.13	19.98	19.66	19.60	19.60	19.38	18.40	17.32	17.28	17.50	17.50	18.90
1960	17.30	16.70	16.33	16.10	15.80	15.80	16.10	16.86	17.48	17.95	18.70	19.30	17.04
						Chicago 1/							
1956	16.62	17.80	17.80	17.87	18.68	20.25	20.42	21.35	22.37	27.38	31.07	32.83	22.04
1957	32.92	32.30	30.80	29.56	27.70	25.87	24.10	23.40	21.97	19.76	17.12	18.06	25.30
1958	18.41	18.30	18.63	19.52	19.50	19.40	19.52	19.37	19.30	19.08	18.33	17.92	18.94
1959	18.44	18.01	17.53	17.40	17.27	17.10	16.63	15.80	15.14	14.85	14.78	14.86	16.48
1960	14.60	14.00	13.90	13.30	12.77	12.49	12.64	13.87	14.69	15.69	16.60	16.95	14.29
						St. Louis							
1956	14.80	16.30	17.05	17.30	18.24	19.77	19.50	20.12	21.00	24.20	29.25	31.33	20.73
1957	32.20	31.25	30.30	28.87	27.10	24.80	23.16	22.40	21.12	18.84	15.97	17.42	24.45
1958	17.55	17.20	17.70	18.60	18.70	18.70	18.64	18.70	18.25	17.87	17.28	16.74	17.99
1959	17.43	16.93	16.25	16.44	16.20	16.04	15.70	15.00	14.30	14.05	14.20	14.20	15.56
1960	14.10	13.65	13.22	12.85	12.64	12.70	13.03	14.50	15.03	15.95	16.80	17.20	14.31

1/ Price basis February-March 1960 barge and rail; May and June 1960 average tank truck and tank car; July-December 1960 tank truck.

Table 4 --Molasses, blackstrap: Price by months, f.o.b. tank car, Memphis, Kansas City, Denver and West Coast, 1956-60

Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Av.
						--Cents per gallon--							
						Memphis							
1956	15.22	16.47	16.80	16.50	17.54	18.67	18.88	19.62	20.50	23.40	28.50	30.83	20.24
1957	31.30	30.50	29.53	28.20	26.58	24.42	22.56	21.90	20.85	18.45	15.67	16.94	23.90
1958	16.35	16.63	17.00	18.04	18.30	17.67	18.20	17.92	17.58	17.42	16.68	16.32	17.38
1959	17.03	16.53	16.05	16.06	15.70	15.58	15.03	14.65	13.88	13.65	13.80	13.80	15.14
1960	13.65	13.02	12.72	12.43	12.08	12.15	12.61	13.76	14.78	15.45	16.40	16.75	13.82
						Kansas City							
1956	19.48	18.40	18.72	18.65	19.62	21.17	21.04	22.30	22.82	27.26	31.10	33.70	22.85
1957	33.62	32.95	31.60	30.16	28.52	26.60	24.98	24.12	22.57	20.18	17.47	18.98	25.98
1958	19.07	18.85	19.33	20.12	20.32	20.40	20.16	20.02	19.90	19.68	18.87	18.48	19.60
1959	18.85	18.35	17.93	17.86	17.65	17.66	17.15	16.48	15.96	15.70	15.70	15.70	17.08
1960	15.65	15.22	14.76	14.35	14.16	14.20	14.53	15.98	16.70	17.58	18.40	18.73	15.86
						Denver 1/							
1956	--	--	--	24.90	24.90	26.50	26.66	27.42	27.75	30.10	35.10	37.40	28.97
1957	39.40	37.82	34.30	34.30	33.58	32.37	31.20	30.50	29.87	27.70	24.13	25.54	31.72
1958	26.30	26.30	26.43	27.52	28.00	28.00	26.10	24.00	23.94	23.40	22.78	22.96	25.48
1959	23.20	21.65	21.30	21.12	20.93	20.62	20.35	18.95	19.04	18.80	18.50	18.40	20.23
1960	18.25	17.80	17.40	17.38	17.31	17.30	17.30	19.20	19.13	18.25	18.46	19.50	18.11
						West Coast							
						(Seattle, Portland, Richmond, Tacoma, Stockton and Los Angeles)							
1956	14.64	14.98	14.97	14.90	15.08	16.40	16.40	16.70	17.63	18.41	20.50	20.57	16.76
1957	20.70	21.82	22.20	22.20	21.35	20.50	19.78	19.00	18.10	15.92	14.60	14.00	19.18
1958	14.60	14.60	14.60	14.60	14.60	14.60	14.60	14.60	14.60	14.60	14.18	13.50	14.47
1959	13.50	12.90	12.90	12.90	12.60	12.60	12.60	12.38	11.70	11.70	11.70	11.70	12.43
1960	11.70	11.70	11.40	11.40	11.40	11.40	11.55	12.48	12.90	13.20	13.94	14.30	12.28

1/ Price basis, August 1958 to December 1960 by tank truck and tank car.

Table 5 --Molasses, beet: Prices by months, f.o.b. tank car, 1956-60

Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Av.
						--Dollars per ton--							
						Denver							
1956	30.00	30.00	30.00	34.00	34.00	34.00	34.00	34.00	34.00	34.00	40.00	45.00	34.42
1957	45.00	45.00	40.00	40.00	40.00	40.00	40.00	40.00	34.00	32.00	32.00	32.00	38.33
1958	32.00	32.00	32.00	32.00	32.00	32.00	32.00	32.00	32.00	32.00	30.75	30.00	31.73
1959	30.00	30.00	30.00	30.00	30.00	30.00	30.00	31.50	29.00	26.12	27.50	27.37	29.29
1960	27.00	27.00	25.40	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	26.50	25.49
						Colorado, Wyoming and Montana (except Missoula)							
1956	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	38.00	38.00	38.00	43.25	33.10
1957	45.00	43.50	43.50	43.50	43.50	43.50	38.30	37.00	34.00	32.00	32.00	32.00	38.98
1958	32.00	32.00	32.00	32.00	32.00	32.00	32.00	32.00	32.00	32.00	32.00	32.00	32.00
1959	32.00	32.00	32.00	32.00	32.00	32.00	32.00	32.00	32.00	31.25	30.50	30.50	31.63
1960	30.50	30.50	29.30	28.50	28.50	28.50	28.50	28.50	28.50	28.50	28.50	27.00	28.78
						Oregon, Utah, Idaho and Missoula, Montana							
1956	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	33.20	34.00	34.00	30.93
1957	35.50	37.00	37.00	37.00	37.00	37.00	37.00	37.00	37.00	37.00	36.40	35.37	36.69
1958	35.00	35.00	35.00	35.00	35.00	35.00	35.00	35.00	35.00	34.25	32.50	31.00	34.40
1959	31.00	31.00	31.00	31.00	31.00	31.00	31.00	31.00	31.00	31.00	31.00	31.00	31.00
1960	31.00	31.00	31.00	31.00	31.00	31.00	31.00	31.00	31.00	31.00	31.00	31.00	31.00
						Minneapolis							
1956	--	--	--	--	--	--	--	--	--	--	--	--	--
1957	--	--	--	--	--	--	43.80	41.75	39.00	--	--	--	41.52
1958	40.00	40.00	--	--	--	--	--	--	--	--	--	35.00	38.33
1959	32.00	31.63	31.13	30.60	30.50	30.50	30.50	29.00	27.90	28.00	28.00	28.00	29.81
1960	27.75	27.00	26.70	26.50	26.10	26.00	26.00	26.00	26.00	27.50	29.00	30.00	27.05

Table 6 --Molasses, citrus and corn (hydrol): Price by months, f.o.b. tank car, 1956-60

Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Av.
						--Dollars per ton--							
Citrus molasses						Florida Points							
1956	18.80	18.92	19.00	19.00	19.00	19.00	19.00	19.00	19.00	19.00	20.50	25.00	19.60
1957	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	23.75	19.00	24.40
1958	19.50	17.00	17.13	18.60	19.00	19.00	19.00	19.56	21.60	20.00	20.31	21.00	19.31
1959	21.25	21.25	21.25	21.25	21.25	21.25	21.00	20.33	18.40	16.87	16.00	16.50	19.72
1960	16.50	16.50	16.50	16.50	16.50	17.00	17.50	17.80	19.00	19.00	19.00	20.00	17.65
Corn (hydrol) molasses						Chicago							
1956	21.00	21.00	22.00	22.00	22.80	25.12	26.50	26.12	27.00	33.16	39.33	45.00	27.59
1957	46.00	43.25	43.00	43.62	43.00	39.75	36.20	31.69	30.56	28.00	24.25	23.50	36.07
1958	24.50	23.13	22.63	23.00	22.75	22.44	22.10	21.68	21.20	21.56	21.87	21.85	22.39
1959	22.19	22.75	22.75	22.45	22.25	21.90	21.69	21.46	19.45	18.75	18.25	18.25	21.01
1960	18.94	19.25	18.75	17.56	16.60	16.50	16.50	17.10	18.88	19.56	20.35	21.88	18.49
						Kansas City							
1956	--	--	--	--	--	--	--	--	--	--	--	--	--
1957	45.25	47.00	47.00	45.20	43.50	40.37	36.90	33.62	31.62	29.20	25.50	24.00	37.43
1958	24.75	23.94	24.00	24.35	23.75	22.87	23.05	23.00	22.55	23.00	23.00	22.65	23.40
1959	22.87	23.00	23.00	22.80	22.97	23.00	22.63	22.50	21.00	20.31	19.68	19.50	21.93
1960	20.13	20.50	19.90	19.31	18.45	18.00	18.00	18.60	19.75	21.37	22.60	25.25	20.16

Table 7 -- Price comparisons between molasses and No. 2 yellow corn at New York, Chicago and Kansas City, 1951-60

Year	New York			Kansas City			Chicago		
	Corn	Molasses	Difference	Corn	Molasses	Difference	Corn	Molasses	Difference
	- Data in cents - 1/								
1951..	205.9	231.7	- 25.8	176.0	254.2	-78.2	181.8	248.4	-66.6
1952..	204.8	134.0	+ 70.8	180.8	167.7	+13.1	179.6	153.0	+26.6
1953..	182.5	79.1	+106.1	157.8	118.4	+39.4	159.1	100.9	+58.2
1954..	185.7	77.2	+108.5	159.2	116.7	+42.5	159.7	99.1	+60.6
1955..	161.2	81.1	+ 80.1	148.2	116.1	+32.1	141.4	98.5	+42.9
1956..	169.8	109.5	+ 60.3	149.7	136.4	+13.3	145.2	130.0	+15.2
1957..	156.8	163.7	- 6.9	130.4	204.2	-73.8	129.2	199.3	-70.1
1958..	156.3	115.0	+ 41.3	120.0	127.4	- 7.4	125.5	123.1	+ 2.4
1959..	150.6	103.0	+ 47.6	117.3	111.0	+ 6.3	122.5	107.1	+15.4
1960..	143.8	89.0	+ 54.8	113.6	103.1	+10.5	115.6	92.9	+22.7

1/ Six and one-half gallons of molasses are the carbohydrate equivalent of one bushel of corn.

MOLASSES AND CORN PRICES

Molasses prices in relation to corn prices were more favorable for molasses in 1960 than in 1959.1/ They also were the most favorable they have been in four years. This may have been responsible to a large extent for the record estimated use of molasses for livestock feed in 1960.

Prices of molasses in relation to prices of corn were 54.8¢ lower in 1960 than in 1959 in New York, 22.7¢ lower in Chicago and 10.5¢ lower in Kansas City. While the cost of 6 1/2 gallons of molasses dropped around 14¢ in Chicago and New York, the price of corn was down only a little less than 7¢. The cost of 6 1/2 gallons of molasses was down less -- 7.9¢ -- at Kansas City than at Chicago and New York, but at the same time the cost of corn was only 3.7¢ lower than the year before.

1/ A "rule of thumb" measure -- 6 1/2 gallons of molasses are about equivalent in carbohydrate value to one bushel of corn -- is widely used to compare the carbohydrate value of molasses and corn. This measure is based on experiments conducted to evaluate the energy produced from one bushel of corn and the amount of molasses required to produce the same amount of energy.

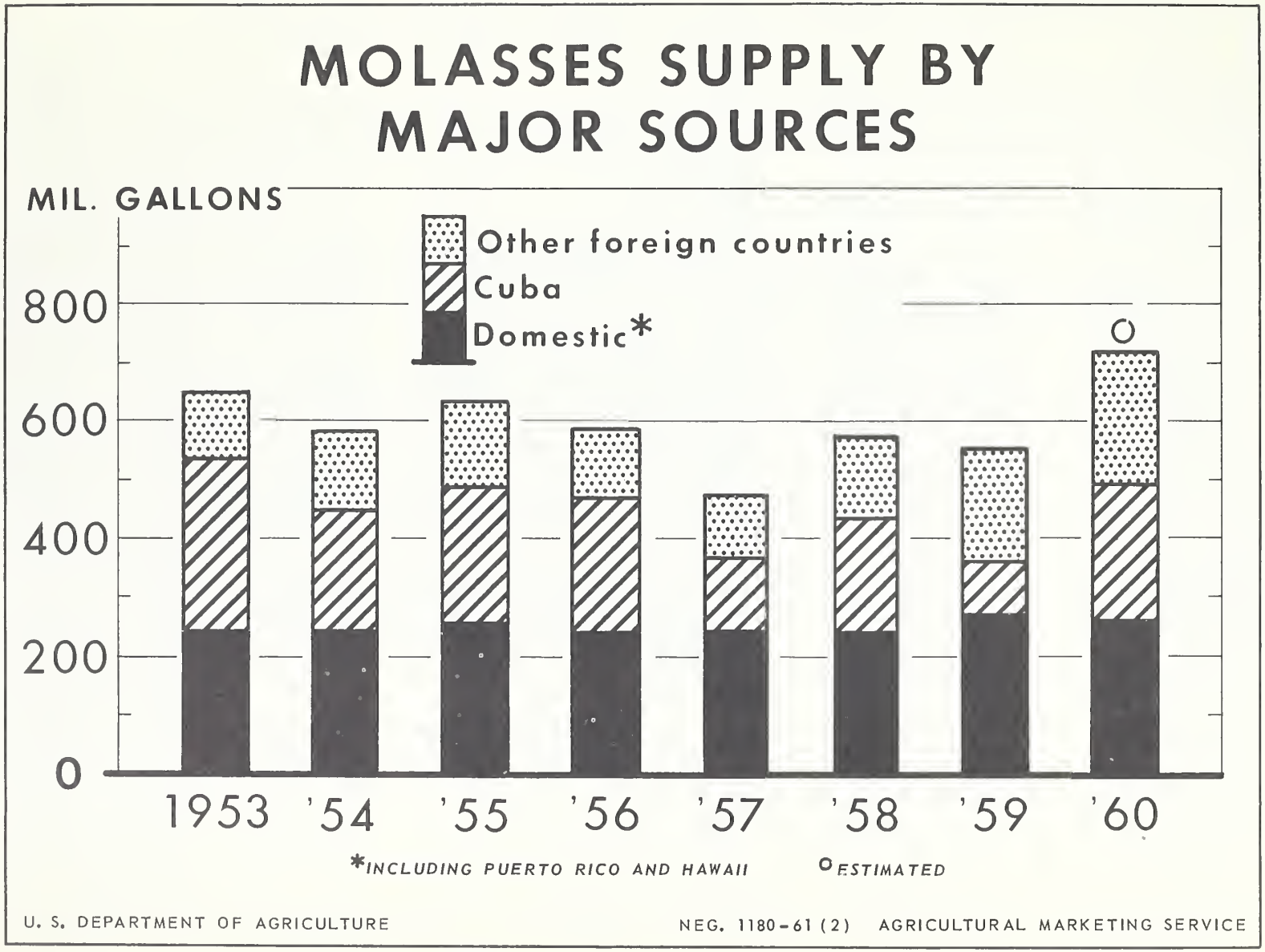
MOLASSES SUPPLY BY MAJOR SOURCES
MIL. GALLONS
Other foreign countries
Cuba
Domestic*
800
600
400
200
0
1953
'54
'55
'56
'57
'58
'59
'60
*INCLUDING PUERTO RICO AND HAWAII
OESTIMATED
U. S. DEPARTMENT OF AGRICULTURE
NEG. 1180-61 (2) AGRICULTURAL MARKETING SERVICE

FIGURE 2

Table 8 -- Feed and industrial molasses: Mainland production, inshipments, imports and exports, 1944-60

Year	Mainland production						Shipments to mainland from Territories		
	Cane	Beet	Refiners' black-strap	Citrus	Hydrol 1/	Total	Hawaii	Puerto Rico	Total
	--1,000 gallons--								
1944	35,841	35,937	33,944	2,650	17,668	126,040	38,531	17,632	56,163
1945	34,804	40,943	30,041	3,960	17,169	126,917	36,942	16,268	53,210
1946	28,450	43,708	25,111	8,058	16,716	122,043	32,226	17,287	49,513
1947	27,942	34,265	34,653	10,342	20,261	127,463	37,461	31,956	69,417
1948	40,305	38,038	35,612	10,953	18,364	143,272	44,271	44,811	89,082
1949	44,362	40,852	32,944	7,259	19,031	144,448	42,523	43,589	86,112
1950	44,814	61,333	34,326	7,929	21,388	169,790	41,076	31,224	72,300
1951	44,350	45,578	32,775	11,926	18,411	153,040	41,572	49,951	91,523
1952	51,901	38,583	36,221	9,333	18,063	154,101	37,942	52,252	90,194
1953	48,682	47,628	36,123	7,382	18,792	158,607	47,558	32,651	80,209
1954	46,050	52,351	31,836	8,804	17,873	156,914	46,530	37,558	84,088
1955	49,187	52,061	32,954	8,422	15,502	158,126	50,413	44,232	94,645
1956	38,067	51,955	40,303	7,878	16,851	155,054	49,401	34,726	84,127
1957	42,532	63,171	39,370	10,474	16,249	171,796	54,140	20,439	74,579
1958	40,300	67,324	40,012	6,328	20,336	174,300	43,974	26,611	70,585
1959	42,826	2/76,000	40,333	7,669	21,494	188,322	60,239	24,238	84,477
1960 2/	46,000	73,000	40,686	6,000	23,000	188,686	49,712	25,000	74,712

Year	U. S. imports					Mainland exports 3/	Available supplies
	Cuba	Dominican Republic	Mexico	Other	Total		
	--1,000 gallons--						
1944	249,584	40,832	70	7,986	298,472	150	480,525
1945	113,614	17,546	0	6,362	137,522	1,621	316,028
1946	57,968	18,458	10,021	6,743	93,190	959	263,787
1947	105,387	21,328	21,160	7,130	155,005	618	351,267
1948	139,258	20,364	33,114	12,523	205,259	8,176	429,437
1949	161,872	17,743	23,595	11,566	214,776	2,233	443,103
1950	186,784	16,828	21,184	19,045	243,841	2,331	483,600
1951	130,472	16,693	25,195	56,029	228,389	2,649	470,303
1952	186,676	27,946	21,547	59,952	296,121	897	539,519
1953	291,352	26,199	31,829	61,385	410,765	1,563	648,018
1954	202,940	23,516	37,810	76,142	340,408	4,843	576,567
1955	232,696	34,573	43,277	67,266	377,812	4,863	625,720
1956	232,329	31,652	29,820	58,288	352,089	879	590,391
1957	117,471	21,789	40,059	52,217	231,536	2,545	475,366
1958	188,428	24,761	46,539	74,580	334,308	2,166	577,027
1959	90,497	47,426	61,651	82,563	282,137	2,372	2/ 552,564
1960	228,271	62,281	75,635	83,087	449,274	3,032	2/ 709,640

1/ Prior to 1955 estimated by multiplying total domestic dextrose sales and exports by a constant, assuming 2.58 gallons of hydrol per 100 pounds of dextrose.

2/ Estimated.

3/ Do not include exports from Hawaii and Puerto Rico.

Source: CSS Sugar Division, Bureau of the Census, Florida Citrus Processors Association, Hawaiian Sugar Planters Association, and Price-Waterhouse and Company.

SUPPLIES

Available supplies of feed and industrial molasses for 1960 were estimated at a record 710 million gallons -- 157 million or 28 percent more than in 1959 and about 62 million more than the previous record in 1953. The record 1960 supplies were the result of all-time high imports of molasses since domestic production was little different from the previous year and shipments to the mainland from Hawaii and Puerto Rice were smaller.

DOMESTIC SUPPLIES

The domestic portion of total 1960 molasses supplies amounted to about 263 million gallons or 37 percent of the total compared with 273 million gallons or 49 percent of the total in 1959. Of the 263-million-gallon total 1960 supply, almost 189 million gallons came from mainland sources and nearly 75 million gallons were shipped in from Hawaii and Puerto Rico. Mainland supplies the previous year amounted to slightly over 188 million gallons, while Hawaiian and Puerto Rican shipments totaled a little more than 84 million gallons.

Mainland cane mills produced an estimated 46 million gallons of blackstrap in 1960 -- 7 percent more than in 1959. The increase was in Louisiana as Florida production was about the same as a year earlier. Although the yield of molasses per ton of cane was lower in Louisiana, over 10 percent more cane was harvested in 1960 than in 1959. Output of beet molasses was estimated at 73 million gallons, 3 million gallons or nearly 4 percent less than the year before. While the acreage of sugar beets harvested in 1960 was 6 percent larger than in 1959, the tonnage yield of beets was down slightly because of unfavorable late summer and fall weather. Production of around 40 million gallons of refiners' blackstrap in 1960 was only a very little above 1959's output. Citrus molasses production was the lowest it has been in 15 years -- 6 million gallons -- because of hard freezes in Florida during the main harvest time. Production of hydrol molasses in 1960 climbed to a record 23 million gallons -- 7 percent more than the previous year.

Hawaiian shipments of cane molasses to the mainland in 1960 were down to 50 million gallons, 17 percent less than in 1959 and well below the average of the last five years. However, production was down also, reflecting a strike of sugarcane field workers in 1959 which reduced the 1960 harvest. Hawaiian producers had relatively heavy molasses inventories at the beginning of 1959 but almost no carryover at the start of 1960.

Shipments of blackstrap molasses to the mainland from Puerto Rico in 1960 were estimated at 25 million gallons. These were a little more than the previous year's shipments but except for 1957 and 1959, were the smallest since 1946. However, more than a fourth of Puerto Rico's molasses production was exported to foreign countries, principally the United Kingdom.

Table 9 --Molasses: Production, exports and shipments to the United States from principal supplying areas, 1944-60

Year	Cuba		Puerto Rico			Hawaii		
	Production 1/	Exports to United States	Production	Shipments to United States	Exports to other countries	Production	Shipments to United States	Exports to other countries
	- 1,000 gallons -							
1944	453,914	249,584	28,200	17,632	-	46,659	38,531	-
1945	194,741	113,614	40,400	16,268	-	44,769	36,942	-
1946	233,650	57,968	38,400	17,287	-	36,121	32,226	-
1947	299,400	105,387	50,800	31,956	-	48,768	37,461	-
1948	332,000	139,258	54,800	44,811	4,441	43,515	44,271	-
1949	291,599	161,872	59,275	43,589	5,603	43,006	42,523	-
1950	262,365	186,784	49,522	31,224	6,658	41,381	41,076	355
1951	288,625	130,472	60,300	49,951	1,528	44,723	41,572	-
1952	397,900	186,676	69,800	52,252	4,021	44,041	37,942	505
1953	278,300	291,352	59,856	32,651	13,258	51,319	47,558	-
1954	367,754	202,940	61,600	37,558	7,923	51,759	46,530	-
1955	429,235	232,696	56,246	44,232	6,033	51,052	50,413	-
1956	324,460	232,329	56,899	33,968	6,765	52,644	49,401	1,916
1957	253,265	117,471	52,600	20,439	19,402	52,340	54,140	-
1958	310,600	188,428	56,800	26,611	10,157	52,768	43,974	4,642
1959	314,300	90,497	60,755	24,238	19,239	56,849	60,239	7,771
1960 2/	287,206	228,271	58,474	25,000	16,540	51,462	49,712	-

1/ Includes 131.7 million gallons of high-test molasses in 1954, 231.5 million in 1955, 111.4 million in 1956, 87.5 million in 1958, and 4.8 million in 1959.

2/ Estimated.

Source: Bureau of the Census, Cuban Sugar Stabilization Institute, Association of Sugar Producers of Puerto Rico, California and Hawaiian Sugar Corporation, Ltd., and the Hawaiian Sugar Planters Association.

Imports

A record 449 million gallons of molasses were imported into the United States from foreign countries during 1960. These topped 1959 imports by 167 million gallons, or about 59 percent, and the previous record -- 411 million gallons in 1953 -- by about 38 million gallons, or around 9 percent. Imports accounted for 63 percent of the total U. S. molasses supply in 1960 compared with 51 percent in 1959.

Cuba supplied 228 million gallons, or 51 percent, of the total molasses imported into this country in 1960. Cuba's share of imports a year earlier was only 90 million gallons, or about 32 percent of total imports. Large Cuban stocks from the 1959 crop (more than 100 million gallons) were sold to U. S. buyers early in 1960. This along with purchases from 1960 production made the large imports from Cuba possible.

Mexico remained the second largest supplier of molasses to the United States. Imports from Mexico during 1960 totaled a record 76 million gallons -- 14 million gallons or 23 percent more than the previous record of 62 million gallons in 1959. Imports from the Dominican Republic also were a record. This reflected to some extent the large carryover of blackstrap stocks from 1959, most of which sold to U. S. buyers. U. S. molasses imports from the Dominican Republic in 1960 reached 62 million gallons -- 15 million gallons or 32 percent more than in 1959, the previous record.

Molasses imports from other countries in 1960 amounted to a record-breaking 83 million gallons, or a half-million more than the year before. Almost 65 million gallons of these came from nine countries -- Jamaica, Philippine Republic, Taiwan, Peru, Turkey, France, Rumania, French West Indies, and Barbados. Turkey, Rumania and Poland joined the list of importing countries for the first time in 1960. Imports from Jamaica, French West Indies, Barbados, and Ecuador increased sharply, while those from Taiwan, France, Trinidad and Tobago decreased considerably. No molasses was imported from Spain, India or Pakistan in 1960 compared with more than 12 million gallons imported from them in 1959.

About 285 million gallons of the total 449 million gallons imported into the United States during 1960 came in through the New Orleans, Philadelphia and New York customs districts. The previous year 154 million gallons, or about the same percentage of total imports, entered this country through these same customs districts. The most noticeable change in imports by customs districts was the sharp rise in the amount of molasses imported through Philadelphia -- to almost 112 million gallons in 1960 from 21 million in 1959.

Exports

United States molasses exports totaled slightly more than 18 million gallons in 1960. This was 11 million gallons or 38 percent less than in 1959 Of the 1960 exports, 15 million gallons were from Puerto Rico and 3 million were from the mainland. No molasses was exported from Hawaii in 1960 compared to exports of almost 8 million gallons in 1959. All of Hawaii's shipments were to the mainland. (Continued on page 21)

Table 10 --Molasses, inedible: U. S. imports by country of origin, 1956-60

Country of origin	1960	1959	1958	1957	1956
			- 1,000 gallons -		
Cuba	228,271	1/90,497	188,428	117,471	232,329
Mexico	75,635	61,651	46,539	40,059	29,820
Dominican Republic	62,281	47,426	24,761	21,789	31,652
Jamaica	22,335	10,170	7,347	5,909	4,073
Philippine Republic	6,406	5,708	4,181	4,926	8,681
Taiwan (Formosa)	5,674	11,216	2,314	-	3,444
Peru	5,629	4,709	4,605	3,540	1,813
Turkey	5,585	-	-	-	-
France	5,244	9,348	9,446	11,913	13,540
Rumania	4,660	-	-	-	-
French West Indies	4,568	2,530	4,336	1,839	3,207
Barbados	4,523	2,395	4,767	6,364	3,849
Haiti	2,942	2,921	3,112	5,970	3,831
Trinidad and Tobago	2,690	7,358	2,219	21	153
Netherlands	2,360	2,225	6,143	1,705	1,943
Indonesia	2,276	2,207	2,213	-	2,220
Ecuador	2,106	300	4,626	2,851	3,329
Nicaragua	2,075	3,030	2,579	2,694	1,295
Canada	1,534	2,523	1,749	1,447	1,708
Poland	978	-	-	-	-
British Honduras	771	503	-	-	-
Leeward Islands	442	-	-	-	1,010
British Guiana	289	2,942	-	-	-
Spain	-	6,793	553	-	-
India	-	4,488	-	-	-
Pakistan	-	1/ 1,197	-	-	-
Egypt	-	-	7,897	3,038	1,816
United Kingdom	-	-	1,107	-	-
Mauritius	-	-	456	-	1,638
Madagascar	-	-	217	-	-
Italy	-	-	-	-	738
Denmark	-	-	4,713	-	-
Total	449,274	282,137	334,308	231,536	352,089

1/ Revised.

Source: Bureau of the Census

Table 11 --Molasses, inedible: U. S. exports by country of destination, 1956-60 1/

Country	1960	1959	1958	1957	1956
			- 1,000 gallons -		
United Kingdom	11,729	13,833	11,899	20,299	9,250
Canada	3,050	2,113	3,876	1,638	4,230
Netherlands	3,411	3,408	1,045	-	-
France	-	8,160	-	-	-
Belgium and Luxembourg	-	1,613	-	-	-
Other	4	255	145	10	3
Total	18,194	29,382	16,965	21,947	13,483

1/ Includes exports from Hawaii and Puerto Rico.

Source: Bureau of the Census

Table 12 --Molasses, inedible: U. S. imports by customs districts, 1956-60

Customs District	1960	1959	1958	1957	1956
			- 1,000 gallons -		
Maine and New Hampshire	35	34	39	35	29
Vermont	7	-	49	-	205
Massachusetts	4,788	2,196	4,983	2,602	4,552
Connecticut	12,582	1/ 9,598	10,006	3,351	5,769
St. Lawrence	549	-	3	-	-
Buffalo	5,998	6,968	1,134	299	130
New York	57,282	1/43,783	54,623	49,619	41,809
Philadelphia	111,702	20,898	75,097	37,927	90,104
Maryland	15,647	8,966	7,610	8,434	13,748
Virginia	3,359	4,373	2,201	3,079	1,620
North Carolina	4,212	5,301	4,478	3,364	4,172
Georgia	3,180	2,534	2,921	3,650	1,276
Florida	7,172	1,904	1,618	2,388	3,218
Mobile	16,204	17,628	10,047	7,185	12,134
New Orleans	115,918	89,309	105,396	59,878	116,832
Sabine	1,841	1,592	821	1,546	1,702
Galveston	33,211	31,671	21,492	24,176	23,838
Laredo	2,272	1,892	1,536	1,339	1,228
El Paso	6,817	3,944	3,758	3,836	4,650
Arizona	5,567	1,711	1,235	639	845
Los Angeles	26,553	14,736	20,094	13,081	13,489
San Francisco	10,360	7,662	4,582	3,706	6,105
Montana and Idaho	2	80	-	165	375
Dakota	155	431	537	883	1,146
Duluth and Superior	-	84	45	300	7
Michigan	-	8	-	-	-
Ohio	3,827	4,834	3	-	-
St. Louis	-	-	-	54	-
Oregon	34	-	-	-	963
Washington	-	-	-	-	1,257
Puerto Rico	-	-	-	-	886
Total	499,274	282,137	334,308	231,536	352,089

1/ Revised.

Source: Bureau of the Census

Table 13 --Molasses, inedible: U. S. exports by customs districts, 1956-60

Customs District	1960	1959	1958	1957	1956
			- 1,000 gallons -		
New York	-	23	330	10	174
Washington	2,261	1,696	1,489	1,435	961
Hawaii	-	7,771	4,642	-	2,916
Montana and Idaho	110	7	-	-	-
Dakota	12	15	9	17	8
Michigan	74	26	33	9	8
Puerto Rico	15,162	19,239	10,157	19,402	9,365
St. Lawrence	7	-	160	94	16
Philadelphia	-	-	5	20	-
San Diego	4	-	4	-	-
New Orleans	-	-	-	876	-
Buffalo	3	-	-	-	-
Florida	561	-	-	-	-
Other	-	605	136	84	35
Total	18,194	29,382	16,965	21,947	13,483

Source: Bureau of the Census

Table 14--Molasses: Estimated utilization, United States, 1944-60

Year	Alcohol plants and distilleries				Mixed feeds, direct feeding and silage 3/	Other uses			Total utilization
	Ethyl alcohol	Other products 1/	Distilled spirits 2/	Total		Yeast, citric acid and vinegar	Pharmaceuticals and other edibles	Total	
	--Million gallons--								
1944	313.7	43.7	10.6	368.0	62.3	41.2	9.0	50.2	480.5
1945	146.9	32.8	12.4	192.1	66.3	47.3	10.3	57.6	316.0
1946	73.2	40.4	3.5	117.1	78.3	46.6	21.8	68.4	263.8
1947	139.2	19.2	2.8	161.2	127.7	51.0	11.4	62.4	351.3
1948	135.6	11.1	3.1	149.8	220.3	51.0	8.3	59.3	429.4
1949	151.1	20.0	4.3	175.4	209.2	51.0	7.5	58.5	443.1
1950	142.9	17.7	2.4	163.0	262.6	51.0	7.0	58.0	483.6
1951	151.7	6.6	2.6	160.9	250.4	52.0	7.0	59.0	470.3
1952	158.8	8.0	2.4	169.2	310.3	53.0	7.0	60.0	539.5
1953	180.2	25.6	2.6	208.4	376.6	55.0	8.0	63.0	648.0
1954	56.6	28.9	2.3	87.8	418.8	60.0	10.0	70.0	576.6
1955	82.5	36.1	2.7	121.3	427.4	65.0	12.0	77.0	625.7
1956	78.7	30.6	2.6	111.9	394.5	70.0	14.0	84.0	590.4
1957	45.2	11.2	2.8	59.2	332.2	70.0	14.0	84.0	475.4
1958	51.8	7.3	2.5	61.7	430.3	70.0	15.0	85.0	577.0
1959	5/	5/	5/	35.3	431.3	71.0	15.0	86.0	552.6
1960 4/	5/	5/	5/	6/ 69.0	529.6	78.0	7/ 33.0	111.0	709.6

1/ Chiefly butyl and acetone. 2/ Chiefly rum and gin. 3/ Molasses utilized in feeds is a residual item. Calculated by subtracting molasses used in alcohol plants and distilleries, and other uses from total mainland molasses supplies, without considering changes in stocks. 4/ Estimated. 5/ Not reported separately. 6/ Includes 18.3 million gallons used for other products from January-June 1960. Not reported separately from July 1, 1960.

7/ Pharmaceutical utilization not considered prior to 1960.

Two-thirds of total 1960 U. S. molasses exports, or nearly 12 million gallons, went to the United Kingdom -- our biggest customer. Exports to Canada were 44 percent larger, while the Netherlands took about the same amount as they did in 1959. However, no U. S. molasses went to France or Belgium and Luxembourg who took around 8.2 and 1.6 million gallons, respectively, the previous year.

Puerto Rico naturally exported most U. S. molasses. However, the Washington, Montana and Idaho, Michigan, and Florida customs districts registered sizeable increases in the amount of molasses exported through mainland customs districts in 1960.

UTILIZATION

Molasses usage in 1960 soared to an estimated all-time record 710 million gallons -- 157 million or 28 percent more than in 1959 and about 62 million or nearly 10 percent more than the 1953 previous record. It is possible, however, that utilization may not be quite as high as estimated since year-end inventory stocks are unavailable.

A record-breaking 530 million gallons of molasses, or 75 percent of total utilization, were used in feeding livestock during 1960.1/ This was about 98 million gallons more than the amount of molasses used for livestock feed during 1959.

Producers of yeast, citric acid and vinegar were as usual the second largest users of molasses. They used an estimated 78 million gallons in 1960, or about 7 million more than in 1959. Manufacturers of pharmaceuticals (considered for the first time in 1960), edible molasses and sirups took an estimated 33 million gallons. Most of this usage went into the making of pharmaceuticals. Trade reports indicate that less molasses was used in 1960 than in previous years by the edible molasses and sirup industry.

Molasses used for industrial purposes by alcohol plants and distilleries in 1960 totaled 69 million gallons -- almost twice as much as in 1959. Although the quantity of molasses used in the manufacture of ethyl alcohol and other distilled spirits has gone down in recent years, more molasses was used for this purpose in 1960, almost 51 million gallons compared with 35 million in 1959. The heavier usage was most noticeable during March through August. However, this use of molasses tapered off rapidly the final quarter of 1960 when molasses prices advanced.

Molasses used in making alcohol products other than ethyl and beverage alcohol amounted to 18 million gallons the first half of 1960, but separate records were not available the last half of the year.

1/ The quantity of molasses used for feed is a residual item, computed by deducting known amounts used for other purposes from total supplies without considering stocks.

Table 15 --Molasses used in the production of ethyl alcohol and other distilled spirits, by months, 1956-60

Month	1960	1959	1958	1957	1956
			- 1,000 gallons -		
January.....	2,356	3,162	7,967	2,479	7,974
February.....	684	3,621	7,427	2,171	9,866
March.....	4,083	4,573	5,281	3,267	10,023
April.....	8,679	4,903	4,366	679	9,579
May.....	8,229	5,200	6,515	1,073	9,469
June.....	7,978	4,549	3,353	659	9,178
July.....	6,819	1,751	3,352	3,588	5,858
August.....	5,053	1,844	1,297	6,697	5,159
September....	3,366	1,677	3,405	7,772	4,029
October.....	1,355	1,642	4,797	6,334	3,571
November.....	1,302	801	3,466	5,760	3,482
December.....	764	1,600	3,044	7,482	3,158
Total.....	50,668	35,323	54,270	47,961	81,346

Source: Internal Revenue Service

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